



City of Falls Church
**AFFORDABLE DWELLING UNIT (ADU)
PROGRAM FACT SHEET**
Housing and Human Services

300 Park Avenue, Room G04, Falls Church, Virginia 22046

Office Hours: 8 am- 5 pm Monday - Friday

Tel: 703-248-5005, TTY 711, Fax: 703-248-5149,

Website: www.fallschurchva.gov/HHS

Email: HHSinfo@fallschurchva.gov

ABOUT THE PROGRAM

The City established the Affordable Dwelling Unit (ADU) Program through a zoning ordinance in 2002. The program is administered by Housing and Human Service (HHS) to provide affordable homeownership opportunities in the City. The ADUs are for-purchase or for-rent units such as condominiums and townhouses. The City negotiates with developers to sell/rent these homes at a price below the market value to households with low and moderate incomes. The rent, value and resale price of these homes is restricted for a period between 15 to 30 years. These units are located throughout the City of Falls Church.

APPLICATION PROCESS

A person who wants to purchase or rent an ADU must apply to HHS to be certified as eligible for participation in the ADU Program. Application packets are available and accepted at Falls Church City Hall, 300 Park Ave., Suite G04, **year round**. Applicants must have all required documentation when the application is submitted. Incomplete applications will not be reviewed. Applications will be stamped with the date of submission. Staff will review and process all complete applications based on the eligibility criteria within four weeks from the date of submission.

ELIGIBILITY REQUIREMENTS

Below is the summary of all requirements that applicants must meet at the time of application:

First-Time Homebuyer Status: (Purchase Only) A person who has not owned a residential property within the last three years. All members of the household must be a first-time homebuyer to be eligible for the program.

Citizenship Status: A person who is a U.S. citizen or a legal resident alien cardholder is eligible for the ADU program. A U.S. passport, U.S. birth certificate, U.S. naturalization certificate, and Resident Alien Card 1-551 are acceptable forms of documentation to qualify for the program.

Credit Score: A person must have a credit score of at least **620** or higher to be qualified for the program.

Loan Pre-approval: (Purchase Only) All applicants are required to obtain a pre-approval letter for a mortgage loan through an independent bank or lender.

Liquid Asset Eligible Limits: a household cannot have more than **\$40,000** in total liquid assets. Liquid assets are any item of value that can be readily turned into cash. Any liquid accounts that contain the name of any member of the household will be counted as part of household total liquid assets.

VHDA Homeownership Education Program: (Purchase Only) Applicants must enroll in the Virginia Housing Development Authority (VHDA) Homeownership Education Program and submit a copy of the certificate of completion. The VHDA program helps first-time homebuyers prepare and understand the homeownership process and classes are free and are offered year-around.

Household Income Eligible Limits: the total gross household income has to be at least fifty (50) and no more than eighty (80) percent of HUD area median household income (see income limits below). All earnings before taxes for all members of the household that are 18 or older will be counted as part of the total gross household income.

2014 Income Limits

<i>Number of People Household</i>	1	2	3	4
Minimum Annual Income 50% AMI	\$37,450	\$42,800	\$48,150	\$53,500
Maximum Annual Income 80% AMI	\$59,920	\$68,480	\$77,040	\$85,600

PROPERTY RESTRICTIONS

The following special provisions are attached with each Affordable Dwelling Unit:

Control Period: for a period of time, after the ADU is initially sold or rented, the sale, rent, and assessment value of the ADU is regulated to maintain its affordable status.

Appreciation, Assessment & Resale Price: HHS will determine and regulate the appreciation and assessment value of the for-purchase ADUs. The ADU typically appreciates about 3% to 5% a year; therefore the assessed value of the ADU will be below the market value during the control period.

Occupancy Requirement: Owners and Renters of the ADU must occupy the ADU as their primary residence during the entire control period or until the unit is sold. Owners are prohibited from leasing (renting) their ADU. Renters are prohibited from sub-leasing their ADU

Home Improvement Limits: There is no limit on the price or number of improvements. There is a cap on the dollar amount of the improvements that can be added onto the assessment value of the ADU. To maintain affordability, a maximum of up to \$10,000 worth of improvements will be counted into the resale price of the unit.

Homeownership: ADU owners have the full rights of any homeowner and may enjoy their home in what manner they deem appropriate. This also means that they have all of the responsibilities of homeownership, such as maintenance of the property, utilities, property taxes, and homeowner or condominium association fees.

CERTIFIED BUYERS / RENTERS LIST

Applicants that submit a complete application and meet all of the eligibility requirements of the program will be issued a **Certificate of Eligibility** to become a buyer/renter of an ADU. The buyer's/renter's name will be placed on the **Certified Buyers List (CBL)/Certified Renter's List (CRL)** and assigned a priority category. The CBL/CRL is composed of 4 priority categories and within each of the categories there is a ranking order.

Priority One (City Residents that are Seniors or Persons with Disabilities):

- A. Seniors/persons w/disabilities who live in & work for the City (9 tickets).
- B. Seniors/persons w/disabilities who live in & work in the City (8 tickets).
- C. Seniors/persons w/disabilities who live in the City (7 tickets).

Priority Two (City Residents):

- D. People who live in & work for the City (6 tickets).
- E. People who live in & work in the City (5 tickets).
- F. People who live in the City (4 tickets).

Priority Three (Workers in the City):

- G. Seniors/ persons w/disabilities who work for the City (3 tickets).
- H. People who work for the City (3 tickets).
- I. Seniors /persons w/ disabilities who work in the City (2 tickets).
- J. People who work in the City (2 tickets).

Priority Four (No Relation to the City):

- K. Seniors/ persons w/disabilities who do not live & work in the City (1 ticket).
- L. People who do not live and work in the City (1 ticket).

Buyers/Renter's must renew the **Certificate of Eligibility** each year to remain on the CBL/CR L and will be awarded one point and one additional ticket for each year that they successfully renewed their application. The length of time a buyer is on the CBL/CRL may vary depending on the buyer's/ renter's priority category and availability of ADUs.

THE LOTTERY

When an ADU becomes available for sale/rent, HHS will post a Sales/Rental Notice on the City's website. Staff will invite as many buyers/renters into the Lottery as needed to ensure that there will be one buyer and two alternates for each ADU. ***Buyers/Renters will be invited into the lottery based on their priority category first, then ranking order, and last number of renewal points.*** Each buyer/renter receives a certain number of tickets for the lottery based on their ranking order; the higher the ranking order, the more tickets they will receive. Buyers/Renters in Priority One and Two with the highest-ranking order and renewal points will be invited first into the lottery. Priority Three and Four buyers/renter's will only be invited to the Lottery after all eligible Priority One and Two buyers/renters have been selected for an ADU.

At the Lottery, HHS staff will be present and the Falls Church Housing Commissioners will witness the lottery selection. Buyers must be present in order to participate in the Lottery. Housing Commissioners will conduct the drawing. All buyers/renter's will be drawn first; alternates will be drawn after the buyers are selected.



Policy of Non-Discrimination on the Basis of Disability

The City of Falls Church does not discriminate on the basis of disability in its employment practices or in the admission to, access to, or operation of its services, programs, or activities. Cindy Mester, 300 Park Avenue, Falls Church, Virginia, has been designated to coordinate compliance with the ADA non-discrimination requirements. The City of Falls Church complies with the Americans with Disabilities Act. This document will be made available in an alternate format upon request. Call 703.248-5005, (TTY 711)